

Book no 86

12

No. 13

English file
Key arding
Transit duties
From 1883 to 1902

POLITICAL DEPARTMENT.

Bombay Castle, 29th March 1883.

Précis of correspondence regarding the levy of transit duties in Native States.-

The Collector of Paunch Maháls, in forwarding the report of Mr. Little on the working of the tolls in that district for the year 1881-82, observed that it was most disheartening to find that trade should be handicapped and the welfare of other districts injured by the short-sighted policy of Native Chiefs and Darbárs in levying high transit duties. He referred to the figures of the revenue drawn from this source in the State of Báriya, as showing how unwise was the line of conduct pursued and how positively injurious it was to their finances. These figures were, for 1879 Rs. 8,025, for 1880 Rs. 10,035, and for 1881 Rs. 17,221, the increase having taken place after the Rájá adopted the advice of Government to reduce his tariff. "Facts such as these," Mr. Woodward observed, "are more convincing arguments than mere words, and should, if anything could, induce others to adopt a course which has so much benefited Báriya."

The Commissioner, N. D., suggested that it might be advantageous if the above facts, showing the experience gained in the little State of Báriya by the reduction of transit duties, were circulated among the Political Agencies under this Government. Government in the Public Works Department acted on this suggestion and transferred a copy of Mr. Little's report to this Department, with the remark that this Department may perhaps be able to induce other Chiefs to follow the enlightened policy of the Rájá of Báriya in reducing transit duties. A copy of this Resolution, together with Mr. Little's report, was forwarded to all the Political Agents for their remarks by Government Resolution No. 3416, dated 18th July 1882. Their replies are summarized below:—

In Káthiáwár all transit duties were abolished in 1864, and the Chiefs of the province Káthiáwár. were thanked by this and the Supreme Government for the liberality and public spirit displayed by them.

This State levies no transit duties, but tolls are levied on two of the made roads in that Cutch. province on carts and animals. These are so light, that the Political Agent thinks they cannot be said to act as a deterrent to the development of trade either in Cutch or elsewhere.

In the Pálanpur State transit duties were separately levied for each separate pargana. Pálanpur. But after the Darbár was written to by the Political Superintendent on receipt of the above Resolution, the above custom was discontinued and only one transit duty is now levied. The Darbár has forwarded a statement, from which it appears that transit duties ranging from 6 pies to Rs. 5 is levied on different kinds of articles (such as grain, metal, spices, ghee, cloth, oils, glass, ivory, opium, timber, &c.) and cattle. The highest duty of Rs. 5 is levied on an elephant, Rs. 2-8-0 on 100 sheep and goats, Re. 1-1-0 on a horse or a camel, Rs. 3-4-0 on a camel-load (4 chests) of opium, 12 annas on a cart-load of timber or timber articles, and 8 annas and 6 pies on a bullock or buffalo. The duties on other articles vary from 6 pies on a maund of grain of any kind to 8 annas on a pair of shawls.

The Rádhanpur Darbár states that notwithstanding the goods traffic has suffered owing to the opening of the Railway at Pálanpur, and the trade is carried on on a very small scale towards Márwár, Cutch and Káthiáwár, the duties were reduced to a certain extent before the receipt of the yád of the Political Superintendent. But from the statement forwarded it appears that most of the rates of duties now levied have been in force since 1863. The Darbár promises to give further favourable consideration to the advice of the Political Superintendent to reduce the duties.

In Tharád transit duties were first reduced in 1853. After this reduction the income increased from Rs. 2,500 to Rs. 3,200. A further reduction was then made in 1861, and the rates then settled are still in force. But as they yield an average income of Rs. 1,700 only, the Darbár is unwilling to further reduce them. It is added that the result of the second reduction has been found disadvantageous, that the policy now recommended has been followed from time to time, and that the rates at present levied are not at all such as can be reduced. The duties on timber brought for building purposes, as well as on charcoal and vegetables, have been foregone.

The Thákor of Váv states that he has every desire to follow the advice of Government. He has arranged to reduce the transit duty on bullocks passing from Márwár from 4 annas to 2 annas per head from the 1st January 1883. A transit duty of 12 annas is levied on a cart-load of valuable piece-goods, and of 5 annas on valuable piece-goods and sundries of the merchants of Keru.

The Political Superintendent, in forwarding the above replies of the Darbárs, states that in his opinion, until the Chiefs find from experience that the present lessened rates bring them in an increased revenue, they will not think of further reduction.

In the I'dar State the transit duties were leased out, during the attachment of the State, for a period of five years. The lease has still to run a course of $3\frac{1}{2}$ years, and to buy out the contractor would cost a great deal of money which the Chief cannot spare. But after the expiry of the lease the Political Agent hopes that the Mahárája will see the desirability of reducing, if not abolishing, the transit duties which are no doubt very harassing and complicated. Major Wodehouse takes a good deal of interest in the subject, and he states that he will not fail from time to time to converse with the Mahárája and others on the subject. He thinks that unless an example is set by I'dar, and so long as the Baróda and Rajputána States levy these duties, other small tálukas could not be induced to relinquish this source of income.

The rates of transit duties in Lunáváda and Sunth were carefully settled during the long attachment of these States, and have not been exceeded, but in some cases have been reduced.

Rewa Kántha.

The Political Agent thinks that no interference seems called for in the levies of the Bálásinor and Sánjeli Estates, as very little traffic is affected by them.

In Chhota Udepur the whole of the custom tariff has been revised, and the new rates, generally assimilated to the tax on carts prevailing in Báriya, were introduced there in July last.

In Rájpipla the Rája has by a proclamation conformed his rates to those prescribed in 1857. The transit duties there have formed the subject of a separate (confidential) report, and the Political Agent promises that the whole of the custom dues (export, import and transit) will be first considered under the reformed administration.

In Cambay transit duties are levied at the Bandar, and will cease when an agreement is made regarding the Custom Union question. The Political Agent has no suggestions to offer.

Kaira.

In this State duties are levied at thirty-two different places. The Rája is very slow to perceive the advantages following the abolition of these duties, though the Political Agent has on every occasion pointed out to him that he was driving out external trade from his territory, and causing the greatest loss to his subjects by levying these dues. As an instance of the hardship caused by these duties, the Political Agent states that the price of grain produced in Jawhár "was so materially enhanced, that it had no chance in the market, where our rayats were able to under-sell it, and consequently it lay deteriorating in the cultivators' granaries." From the statement forwarded it appears that duty varying from Rs. 9 to annas 4 is levied on a cart-load of different kinds of articles (timber, grain, ghee, charcoal, fruits, liquor, hides, horns &c.), on cattle and even on cowdung and rubbish. At two places duty is levied on every kind of article in transit from one foreign territory to another. The Political Agent lately succeeded in getting the Rája's consent to keep the road from Jawhár to Dáhanu free from any impost on condition that Government should construct the road. He promises to again urge on him the advisability of following a more enlightened and liberal line of policy.

Jawhár.

While making an agreement with the Nawáb regarding Salt and A'bkári, the British Delegate will consider the improvement of the customs administration in Janjira, and the establishment, if possible, of free trade with British Territory. The Political Agent therefore offers no remarks.

Janjira.

Surat.

The Agent at Surat has no remarks to offer.

The Commissioner, N. D., in forwarding these replies, observes "that no efforts are being spared to bring to the notice of the several States the advantages of reducing transit duties. In certain cases some measure of success has attended these efforts, but the example set by Baroda tells powerfully against any real improvement in this part of the Presidency. Probably the most prohibitive transit duties levied in this province are those of His Highness the Gaikwár on the Ahmedabad and Harsol road."

In Akalkot the only transit duty levied is a toll on loaded carts or beasts-of burden, realizing an average income of Rs. 3,900. The toll is not high, being 3 annas on a cart-load, 1 anna and 6 pies on a camel-load, 9 pies on a horse or bullock-load, and 6 pies on an ass-load of grain, and 7 annas, 3 annas 6 pies, 1 anna 9 pies, and 1 anna, respectively, on that of other articles; which rates are by no means oppressive. The Political Agent therefore does not see any reason for reducing it.

Sholápur.

No transit duty is levied in any of the Sátára Jágírs. Duties called Sthalmod and Sthalbharit are levied, which, not being transit duties and not in contravention of any engagements or treaties, are permitted by Government Resolution No. 1599 of 30th March 1882.

Sátára.

In Khairpur transit duties were dealt with soon after the settlement of Sind, and are not now a subject of complaint. The position of that State is such, that if any excessive duty is levied, the traffic would at once be turned to other routes. The Central Asian traffic is hampered by transit duties of the nature of blackmail at every point of its course, but the Commissioner observes that it is on a different footing altogether, and the duties levied are different from those in Báriya or other States, and therefore it is beyond the scope of the present enquiry and need not be referred to.

Sind.

No transit duties are levied in Kolhápur and Southern Marátha Country, the Dáng and Mehvás States, Savanúr, and in Sávantvádi.

RESOLUTION.—Copies of this précis should be forwarded to the Public Works Department, the Commissioner in Sind, the Commissioners, N. D., C. D. and S. D., the Political Agents, and the Agent to the Governor General at Baroda.

2. The précis should also be published in the *Government Gazette*.

C. GONNE,

Chief Secretary to Government.

To

The Commissioner in Sind,
~~The Commissioner, N. D.,~~
 The Commissioner, C. D.,
 The Commissioner, S. D.,
 The Political Agent, Káthiáwár,
 The Political Agent, Kolhápur and Southern Marátha Country,
 The Political Agent, Cutch,
 The Political Agent, Rewa Kántha,
 The Political Agent, Mahi Kántha,
 The Political Superintendent, Pálanpur,
 The Political Superintendent, Sávantvádi,
 The Agent to the Governor at Surat,
 The Collector and Political Agent, Khándesh,
 The Collector and Political Agent, Sátára,
 The Collector and Political Agent, Thána,
 The Collector and Political Agent, Kolába,
 The Collector and Political Agent, Sholápur,
 The Collector and Political Agent, Dhárwár,
 The Collector and Political Agent, Kaira,
 The Public Works Department of the Secretariat,
 The Agent to the Governor General at Baroda (by letter).

No 1. of 1883
 Shams April 1883

Copy forwarded to the Divan
 of Savanur for information

M. M. Muddiah
 Ag. Collee for & Political Agent
 18/4/83
 18/4/83

Bombay Castle, 9th October 1884.

*Read again Government Resolution in the Public Works Department, No. 6-A26.—341, dated 2nd September 1884—Communicating copy of the report for 1883-84 from Mr. Little, Executive Engineer, Kaira and Panch Maháls, on the Panch Maháls toll revenues; and expressing a hope that some steps will be taken by this Department for the reduction of the heavy and capricious transit duties in Native States without which it is hopeless to expect any real development of the trade in that portion of the Presidency.

Memorandum from the Commissioner, N. D., No. 545, dated 20th September 1884—Forwarding, in reply to this Department memorandum No. 38-p., dated the 18th September 1884, copy of the letter No. 749, dated 16th March 1883, from the Collector of Ahmedabad on the subject of the new Transit Nakas established by the farmer of the Idar duties round Morassa, together with copy of the extract paragraph 3 from the letter of Captain Lang, Political Agent, Mahi Kántha, No. 345, dated the 20th July 1842, which accompanied the Collector's letter above quoted.

RESOLUTION.—The extract quoted from Captain Lang's letter of 20th July 1842 shows clearly that at *that* date the Chiefs were not allowed—or even would not attempt—to establish new transit duty Nakas without sanction. The principle, which was most important, has been entirely lost sight of, but there seems to be no reason why the practice of requiring permission should not be revived.

2. If, by the opening of new communications, &c., traffic changes its route, it might be proper to allow the imposition of the tax by a Naka on the new road. But the Chiefs have been supported by the Political Officers in the belief that they have a right to tax any traffic anywhere, and they have put Nakas in isolated villages, or, as appears from the correspondence now before Government, have taken advantage of a narrow strip intervening between British villages and their market to tax the produce of British ryots on its way to the bazaar. The Governor in Council is of opinion that such abuses ought to be controlled, and accordingly directs that the sanction of the Political Agent, who might refer to Government if in doubt, should be obtained to the establishment of new transit duty Nakas by Chiefs in their Agencies.

3. In the particular case of Idar referred to the transit duties were leased by Government, during the attachment of the State, for a period of five years, of which two years have still to run. The Political Agent should examine the terms of the lease, and unless power was expressly given to the contractor to establish fresh Nakas, he should only be allowed to levy duties at the Nakas existing and at existing rates.

J. B. RICHEY,

Acting Chief Secretary to Government.

To

The Commissioner in Sind,
 The Commissioner, N. D.,
 The Commissioner, C. D.,
 The Commissioner, S. D.,
 The Political Agent, Káthiáwár,
 The Political Agent, Kolhápur and Southern Marátha Country,
 The Political Agent, Rewa-Kántha,
 The Political Agent, Cutch,
 The Political Agent, Mahi Kántha,
 The Political Superintendent, Pálānpur,
 The Political Superintendent, Sávantvádi,
 The Agent to His Excellency the Governor, Surat,
 The Collector and Political Agent, Khándesh,
 The Collector and Political Agent, Sátára,
 The Collector and Political Agent, Thána,
 The Collector and Political Agent, Kolába,
 The Collector and Political Agent, Dhárwár,
 The Collector and Political Agent, Kaira,
 The Collector and Political Agent, Sholápur,
 The Public Works Department of the Secretariat.

No 3997 of 1884
Dated 13th October 1884
Copy to the Secy of
Lancashire for information.

Respectfully
Yrs. J. H. M.
Mr. Acting Collector,
of the Bell agency

POLITICAL DEPARTMENT.

Bombay Castle, 16th May 1885.

Memorandum from the Commissioner, N. D., No. 4104, dated 4th December 1884—Forwarding, for information, a letter No. 6117, dated 26th November 1884, from the Acting Collector and Political Agent, Thána, who submits copy of a correspondence—that has passed between him and the Raja of Jawhár, from which it will be seen that the Raja has consented to relinquish all transit duties on British timber passing through his State; observes that he (Political Agent) is not without hope that this may be the commencement of a more liberal policy, and that the Raja may be induced in time and by degrees to abolish other transit duties; and recommends that the matter may be brought favourably to the notice of Government. Stating that the enlightened policy of the Raja deserves the commendation of Government.

Memorandum from the Revenue Department, No. 3434, dated 28th April 1885—Retransferring this Department No. 6689 of 1884, together with a memorandum from the Commissioner, N. D., No. 230, dated 20th April 1885, forwarding one from the Collector and Political Agent, Thána, who states that the Raja of Jawhár reports that he has never made any distinction in levying transit duties between the property of the British Government and of private persons, that he (Collector and Political Agent) is not aware of there being any authority for the levy of transit duty on Government property, but that he does not suppose the question has ever been raised, as the timber which passes the Jawhár toll-bars is the property of contractors, and not of Government; and adds that the Raja has explained that when he used the phrase "timber and other forest produce of British Government" he meant merely timber, &c., coming from British territory.

RESOLUTION.—The Raja should be informed that Government have received with much pleasure the Political Agent's report of the abolition of the transit duties referred to.

2. The other Political Agents should be informed, with an intimation that the Governor in Council would be glad to learn that this good example has been imitated by other Chiefs.

C. GÖNNE,

Chief Secretary to Government.

To

The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
The Collector and Political Agent, Thána,
The Revenue Department of the Secretariat,
All Political Agents.

2052 of 1885

Dharwar 23 May 1885.

*Copy forwarded to the
Dewan of Savanur for information*

*Recd by
for Ag. Collector & Pol
agent W.H.*

Bombay Castle, 29th April 1886.

Letter from the Collector and Political Agent, Sâtára, No. 1098, dated 24th October 1884—Submitting, with reference to paragraph 2 of his report No. 1015, dated 27th September 1884, copy of a further correspondence that has passed between his office and the Chief of Bhor, from which it will be seen that the levy of “Sthalmód” and “Sthalbharit” duties in the Bhor State is not restricted only to the 11 villages entered in the statement originally furnished by the Chief, but extends to every place of purchase and sale in the Bhor territory.

Memorandum from the Commissioner, C. D., No. 297, dated 18th November 1884—Submitting the above, with reference to his No. 284, dated 10th October 1884, and observing that this report makes the case worse, that were the collections kept under a separate head and entirely devoted to sanitation and conservancy, there might be some excuse, but that as it is known such is not the case as no such expenditure is incurred, the levy becomes a species of State octroi or transit duty.

Memorandum from the Political Agent, Kolhápúr and Southern Marátha Country, No. 121, dated 31st March 1885—Submitting, with reference to Government Resolution No. 5874, dated 4th November 1884, a letter to his address from the Divan of Kolhápúr, in which he describes the nature of the duties known as “Sthalmód” and “Sthalbharit;” states that these duties are generally farmed out by a public auction; that the farmers collect them according to the tariff fixed by the State, and that there is no provision for refunds; and submits a statement showing the amount of collection for the last five years, together with copies of a contract made with a farmer and the schedule of rates.

Further memorandum from the Political Agent, Kolhápúr and Southern Marátha Country, No. 122, dated 2nd April 1885—Submitting for information, in continuation of his memorandum No. 121 of 31st March 1885, a letter (with enclosures) from the Acting Joint Administrator of Sângli, which furnishes the information called for by Government regarding the levy of Sthalmód and Sthalbharit duties in the Sângli State.

Further memorandum from ditto, No. 143, dated 14th April 1885—Submitting, in continuation of his memorandum No. 122, dated 2nd April 1885, a report (with accompaniments) by the Acting Assistant Political Agent, Southern Marátha Country, on the subject of the levy of the import and export duties commonly called *Sthalmód* and *Sthalbharit* in the Southern Marátha Country States.

Letter from the Collector and Political Agent, Sâtára, No. 953, dated 29th August 1885—Submitting, with reference to Government Resolution No. 5874, dated 4th November 1884, a tabular statement showing the particulars required by the Government of India regarding the levy of Sthalmód and Sthalbharit duties in the Native States under the Sâtára Agency. Submitting also copies of contracts made with farmers and schedules of rates, and an English translation of one copy of the contract and schedule of the rates in respect of each State. Adding that these duties are not levied in the Jath State—(vide Government Resolution No. 1740, dated 15th April 1879.)

Endorsement by the Commissioner, C. D., No. 293, dated 10th September 1885—Submitting the above.

Memorandum from the Acting Political Agent, Kolhápúr and Southern Marátha Country, No. 492, dated 24th October 1885—Submitting, in continuation of his office memorandum No. 143, dated 14th April 1885, a statement received from the Assistant Political Agent, Southern Marátha Country, showing the rates of export and import duties levied on articles in the Modnimb Táluka of the Miraj (Senior) State.

Memorandum from the Oriental Translator to Government, No. 1842, dated 9th November 1885—Submitting, in reply to this Department memorandum No. 5870 of 25th September 1885, translations of the three vernacular papers therewith sent, being contracts for the collection of the duties called Sthalmód and Sthalbharit.

RESOLUTION.—On the 16th February 1884 the Government of India in acknowledging the receipt of copies of the Administration Reports of the Sâtára Jaghirs, observed “.....; but there is one matter on which, with “the permission of the Governor of Bombay in Council, the Government of “India will be glad to receive additional information. In Statement No. I. of “the Bhor Report it is said that the Chief levies no transit duties but Sthalmód “and Sthalbharit. Under Article 3 of the agreement between the East India

"Company and the Pant Sachiv, dated 3rd February 1839, the Chief agreed, for the promotion of trade and commerce, to abolish all transit duties, and the Government of India are at the present time taking every means to impress upon other Native States the advantages of free trade. Without further information it is impossible to say whether the levies taken in Bhore are consistent with the intentions of the Chief's agreement. I am accordingly directed to enquire upon what goods these collections are made, where they are collected, whether they are under the direct management of the State, what amount is collected in each year, and what arrangements are made for refunds."

The subject had been before Government in 1881 and 1882, and it had been noted that these levies were in force not only in Bhore but in other Sátára Jaghirs and in Kolhápúr and the Southern Maráthá Country.

The Government of India were, therefore, informed that before replying to their letter this Government wished to enquire into the system under which Sthalmód and Sthalbharit were levied in the Deccan and Southern Maráthá Country as well as in Bhore, and the necessary information was called for from the Political Agents, Sátára and Kolhápúr.

2. It may be observed in the first place that the Government of India do not quote quite correctly from Statement No. I. of the Bhore Report for 1882-83. They say, "In Statement No. I. of the Bhore Report it is said that the Chief levies no transit duties but Sthalmód and Sthalbharit," but the entry in the statement really is as follows under the head 'Transit Dues or not:

Transit Dues or not.
Transit dues not levied: - Sthalváda and Sthalbharit levied.

Sthalmód and Sthalbharit are, if the system is not abused, merely import and export duties, or in other words customs, and their levy is not opposed to treaty obligations; but probably from a lax use of the words "transit duty" in translating the Maráthi equivalent for duties generally, Sthalmód and Sthalbharit have been included by Bhore under the head of "transit duty"—and the Proclamation under the Treaty of 1839 runs as follows:—

"It is hereby given out by the orders of Shrimant Maharaj Chhatrapatee, for the information of the public, that as the British Government has abolished all transit duties (with the exception of Sthalmód and Sthalbharit), so also all the Jaghirdars and Inamdars under the control of the Sátára Raja are to cease levying those duties."

Here it is clear that Sthalmód and Sthalbharit are regarded as not altogether distinct from transit duties, and this confusion led to their being noticed by Bhore under the head "Transit Duties," which in turn led to the enquiry made by the Government of India.

3. From the replies which have been received to the enquiries made in Government Resolution No. 5874 of the 4th November 1884, it would seem that Sthalmód and Sthalbharit are levied

(1) in Kolhápúr and its Feudatories where the revenue produced varies from about Rs. 12,000 to 14,000.

(2) in Miraj (Senior) where the revenue produced varies from about Rs. 8,000 to 10,000;

(3) in Miraj (Junior) where the revenue produced varies from about Rs. 2,000 to 3,000;

(4) in Kurundvād (Senior) where the revenue produced varies from about Rs. 1,200 to 1,300 ;

(5) in Kurundvād (Junior) where the revenue produced varies from about Rs. 1,000 to 1,300 ;

(6) in Jamkhandi where the revenue produced varies from about Rs. 2,000 to 5,000 ;

(7) in Mudhol where the revenue produced varies from about Rs. 3,000 to 5,000 ;

(8) in Rāmdurg where the revenue produced varies from about Rs. 2,000 to 5,000 ;

(9) in Sāngli where the revenue produced varies from about Rs. 3,000 to 6,000 ;

(10) in Aundh where the revenue produced varies from about Rs. 1,400 to 1,800 ;

(11) in Bhor where the revenue produced varies from about Rs. 5,600 to Rs. 6,500 ;

(12) in Phaltan where the revenue produced varies from about Rs. 4,000 to Rs. 5,000 ;

(13) in Daphlápúr where the revenue produced averages about Rs. 50 per annum.

4. The levies in question seem to be made upon goods of almost all kinds and descriptions, and to be sometimes *ad valorem* and sometimes per cart-load or per bullock-load, &c., &c. ; they are usually collected by persons farming the taxes—sometimes in conjunction with other items of revenue. The terms entered into with the farmers vary considerably, but there is little security taken that goods imported, which have paid Sthālmōd, shall not, if re-exported, pay Sthālbharit also, and there is no provision for refund, which is necessary to prevent a customs from becoming a transit duty.

5. In his letter No. 22 of the 18th January 1886 the Political Agent, Kolhápúr and Southern Marátha Country, informed Government of the abolition, with effect from 6th June next, of Sthālmōd and Sthālbharit throughout the territories of Kolhápúr and its feudatories, and the Government of India were informed of this on the 6th February 1886.

The Government of India should now, with reference to their letter of the 16th February 1884, be informed that there is a slight error in their quotation from the Bhor Report for 1882-83, as that Report did not state that the Chief levies no transit duties but Sthālmōd and Sthālbharit, but indicated that, while transit dues were not levied, Sthālvāda (Sthālmōd) and Sthālbharit were.

Sthālmōd is a tax levied on goods imported into and sold within a State, while Sthālbharit is a tax levied on goods exported for sale from a State, the essential character of such taxes being that they are paid not by general trade, but by the subjects of the State which levies them. So long as the system is not abused, they do not act as transit dues, and are therefore not inconsistent with the stipulations of the Treaty of 1839. But it is obvious that the system is very liable to abuse, and with or without the knowledge of the Chief to degenerate into the levy of transit dues. The Governor in Council, therefore, desires that the Political Officers will watch more closely than they have hitherto done the operation of these taxes, and will interfere to stop any breach of the treaty obligations of the Chiefs in the matter of transit duty. The opening of the new Railways in the Southern Marátha Country gives especial importance to this duty of the Political Officers, who are bound to see that no part of the profits of Imperial expenditure is diverted to the treasuries of Native States.

6. But apart from the question of abuse, a system, under which a number of small States tax nearly everything their subjects either export or import, must be a very bad one and calculated to produce evils altogether out of proportion to the gain to the State's exchequer. The attention of Government

had been directed to the matter since 1880, and, as already announced, these levies have been abolished in Kolhápur and its feudatories with effect from next June, and this Government hopes soon to be able to announce their removal in the Southern Marátha Country and the Sátára Jaghirs. With regard to the information asked for in paragraph 3 of their letter, the Government of India should be informed to the effect of paragraphs 3 and 4 of this Resolution.

7. Mr. Lee-Warner is certain to use all his influence towards obtaining the abolition of Sthalmód and Sthalbharit in the Southern Marátha Country, and the smaller States are likely to follow the lead of Kolhápur. But with regard to the Sátára Jágghirs, the special attention of the Political Agent, Sátára, should be drawn to Government Resolution No. 740 of the 6th February 1886, and he should be told that Government quite admit that Sthalmód and Sthalbharit, so long as the system is very strictly watched, are taxes not inconsistent with the stipulations of the Treaty of 1839, but that they are extremely liable to abuse and to become transit duties and are in themselves very bad taxes, certain to cause much inconvenience and hardship to the subjects of the State levying them and unlikely to produce anything like an equivalent return to its exchequer.

W. WEDDERBURN,
Acting Chief Secretary to Government.

To

The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
The Collector and Political Agent, Sátára,
All other Political Officers,
The Government of India (by letter),
The Editors' Table.

No 1466 of 1886-

Dated 7th May 1886-

Copy forwarded to the Diwan.

For information.

W. Wedderburn
Acting Secy.

Bombay Castle, 29th April 1886.

Letter from the Commissioner, N. D., No. 2971, dated 20th August 1885—Submitting, with reference to Government Resolution No. 4929, dated 19th September 1884, reports from the Political Officers and Collectors of his Division, together with statements and maps showing the main routes and places where transit and octroi duties are levied. Forwarding also a map showing the main routes in the Northern Division, prepared from those submitted by the several officers; and stating that this does not show all the places *in the Rewa Kántha* at which duties are levied, that many of these places are on cross-roads and minor lines of communication, that he has endeavoured to show the main lines of traffic, and that the accompanying statement is meant to be a *guide* to the map. Adding that the duties levied by His Highness the Gaekwar are not shewn, except where these are collected on Baroda sections of through routes.

RESOLUTION.—In the Resolutions No. ~~2414~~ of ~~29th inst~~ and No. ~~2416~~ of ~~29th inst~~ Government noticed the operation of so-called customs duties in States which by treaty are bound not to levy transit duties. These papers relate to the operation of transit duties in the Native States which are under no such obligation.

2. But the rights of these States are by no means unlimited, in the taxation of trade passing through their territory. It would have been altogether inconsistent with the position of the various powers to which the British Government has succeeded, and which levied customs duties of their own, to permit tributary or subordinate Chiefs to strangle, or even to seriously hamper trade by excessive imposts. Accordingly it is found that in 1842 the Political Agent, Mahi Kántha, writing of the Chiefs of that Agency says:—"The Mahi Kántha Chiefs neither assert the right, nor would they be allowed to exercise it, of establishing new customs nakas, or of increasing the duties levied at those which exist." And again: "I have not made any alteration * * because it might lead to the belief that Government recognized on the part of the Chiefs the right to establish any nakas or rates of duties they chose within their respective limits."

The historical position of tributary or subordinate Chiefs in the matter is clearly shewn in the above.

3. Further, by a despatch No. 10, dated 14th January 1857, the Honourable Court of Directors ordered that no tributary Chief should be allowed to increase his transit duties.

4. Besides these general principles, there are in many cases specific limitations put upon the exercise of this power of taxation by treaties and agreements.

5. It is to be feared that the powers of control undoubtedly vesting in the paramount power in this matter have not been used as vigilantly as the interest of national trade demanded, and that the Political Officers have allowed abuses to grow which should have been checked; but it is no longer possible to acquiesce without question in the present state of matters at a time when the British Government have abolished all imposts upon trade and are spending large sums upon Railways and communications for its development: it is necessary to see that no burdens are placed upon it which might be removed by a legitimate exercise of authority.

6. The extent to which Native States have profited at the expense of the trade developed by Imperial expenditure may be gathered from one illustration. The entire transit duty revenues of the State of Báriyar were Rs. 6,500 in the early years of British rule. The Chief has reduced his duties on the main road

of his State to the level of little more than a toll, but on that road alone the duty so reduced now yields some Rs. 15,000. The instance may be somewhat exceptional, but it serves to show the need that Government, in the interest of its own tax-payers, should use every legitimate means to protect the trade it has created.

7. It appears from the statements submitted that transit duties are levied by one State over and over again upon one road. This no doubt arises from the system of farming out the transit duties as a portion of the general revenues to be collected by the farmer of each pergunah, and where the pergunah is no longer farmed, the nakas established by each farmer are still maintained. The example of Baroda is often pleaded by the Native States of Gujarat in palliation of their burdensome taxation of trade, but indefensible as the action of Baroda may be in some particulars, it has abandoned the practice of recurring taxes, and levies transit duty only on its frontier. This is a reform which the Governor in Council must insist upon in the States of the Gujarat Agencies. It was reported to have been adopted by Pálanpur, but there is no evidence in the statements now submitted that the reform was carried out, but much to the contrary. Taxes are levied on goods produced or consumed by towns-people in Pálanpur and, His Excellency in Council believes, in most other Native States in some form or other, and if the State is permitted to tax goods in transit, merely for the right of passage, the tax must be levied once for all on entering or leaving the State. The delays and annoyances incidental to the levy of transit duties are often as great a burden on trade as the actual money demand, and they must be reduced to a minimum.

8. Another general rule which His Excellency in Council must insist upon is that the tariff of taxes should be published and should be hung up in clear and legible characters at each place of levy, with the seal or authentication of proper authority in the State, and a copy must be furnished to the Political Agent, who will take care that the rule as to publication of the tariff and its being put up at the naka is made known to the public.

9. When the duties are farmed out, a copy of the contract made with the farmer must be sent to the Political Agent, who will take care that the farmer's powers are duly defined, and that he is forbidden to open any nakas except those specified. This power was much abused by the late farmer of the I'dar State, and it is one which does not now vest even in the Chief himself since the Government Resolution No. 5354 of 9th October 1884.

10. The Political Officers will see that the above rules are followed by all States, explaining to the Chiefs that they are, in the levy of transit duties, exercising powers over the subjects of other States or over British subjects, and that the measures prescribed are only such as are absolutely essential to a proper protection of the tax-payer.

11. But besides these general precautions, His Excellency the Governor in Council desires that the Political Officers will carefully examine the system prevailing in the States under their Agencies by the light of treaty engagements and of previous records, with a view to ascertain whether the powers of the Chiefs, as defined by any special convention or by the general limitation laid down by the Court of Directors, have in any case been exceeded.

12. In the case of States such as I'dar or Pálanpur, which were for many years under British administration, it should be easy to ascertain whether the rates or, which comes to the same thing, the frequency, of taxation have been increased without authority. Where no records of the early rates and places of levy exist in the Agency, the Chiefs should be called upon to furnish them, or the farmers may be summoned to produce their books, for comparison with present taxation. The evidence of traders using the chief trade routes should be invited as to any changes made within their knowledge.

13. Besides these general investigations applicable to all States, the Governor in Council calls the special attention of the Agents concerned to the cases

of Chiefs under special agreement, or who, like the Raja of Jawhar, appear to have abused their position of proximity to new trade routes to increase taxation to an inordinate extent.

14. All the petty Chiefs of the Rewa Kántha are bound "not to levy more "or other dues from merchants than those which are sanctioned by long and "ancient usage." In the Mahi Kántha the Chiefs of the Meghraj Táluka are bound to levy only what is fixed by Government, and the Chiefs of Tintoee, Dudalia and others are to "conform to whatever regulations may be made" by Government in the matter. The taxation of the traffic going to Samlaji is probably affected by this convention.

15. The case of the Dharampur State seems to call for special explanation, as that State is bound to levy no transit duty. The Agent to the Governor at Surat should examine and report whether the treaty is strictly observed by the Raja: from the statement received it would appear to be very doubtful whether this is the case.

16. The case of Jawhar referred to above also requires special examination. The Political Agent, Thána, should take early measures to have the trade of British districts passing through Jawhar put upon the same footing that it was before the construction of the Railway. The Chief will doubtless understand that he has exceeded his powers, if it should be found that he has imposed new taxation.

W. WEDDERBURN,

Acting Chief Secretary to Government.

To

~~The Commissioner in Sind,~~
~~The Commissioner, N. D.,~~
 The Commissioner, C. D.,
 The Commissioner, S. D.,
 The Agent to His Excellency the Governor at Surat,
 The Collector and Political Agent, Thána,
 All other Political Officers,
 The Government of India (by letter),
 The Editors' Table (with the statement of tolls, &c).

No 1467 of 1886.

Dharwar 7th May 1886

Copy forwarded Bld

Dewan of Saramar for information

W. H. H.
Secretary Bld

Customs Duty.

Reduction in Germany of import duty on certain kinds of silks.

No. 3239.

REVENUE DEPARTMENT.

Bombay Castle, 10th May 1899.

Resolution of the Government of India, Finance and Commerce Department, No. 1769-S.R., dated 25th April 1899 :—

“ Read—

Letter received in the Foreign Office, from Sir F. Lascelles, No. 69 (Commercial), dated the 14th March 1899, and enclosure.

Ordered that copy of these papers be forwarded in continuation of the communication from this Department, No. 3057-S.R., dated the 13th July 1898, to the Governments of Madras, Bombay, Bengal and Burma, and to the Chambers of Commerce, Madras, Bombay, Bengal, Rangoon and Karachi.”

Letter from Sir F. Lascelles, dated 14th March 1899.

With reference to my telegram No. 4, Commercial, of yesterday, on the subject of the reduction just effected in the German Customs Tariff on certain ‘ Pongee silks ’ I have now the honour to forward to your Lordship herewith a copy, with translation of the Law, dated the 6th instant, which effected the reduction from 800 marks to 300 marks, per 100 kilos.— The text of the law, as now passed by the Reichstag, differs but slightly from that of the Draft Bill of last year, the wording of which was forwarded in my Despatch No. 146, Commercial, of May 28th, 1898. And the memorandum enclosed in that Despatch contains the reasons for this change in the Tariff, to which I do not think it necessary to add anything further.

Translation of Law, dated 6th March 1899, altering the Customs Tariff.

We, William, &c., &c., &c., decree in the name of the Empire, after due approval by the Bundesrath and the Reichstag, as follows :—

Only Article.

The following provision is now added as an additional note at the end of classification No. 30 of the Customs Tariff, promulgated by a Notice dated May 24th, 1885 :—

3. Silk tissues without pattern and of close taffeta (“ Taffetbindig ”) in a bleached or unbleached state “ roh auch abgekocht ” made only of the silk of the “ Bombyx Mori ” without any admixture of floss silk, of silk from the silkworm living on oaks (“ Eichen-spinner ”) or of other spun materials, and when woven on both sides with fixed selvages—

Per 100 Kilos—300 Mks.*

* NOTE.—Equals £ 7-12-6 per cwt. or £ 0-1-4½ per lb.

RESOLUTION.—Copies of the Resolution of the Government of India and of its accompaniments should be forwarded to the Commissioner of Customs, Salt, Opium and A’bkari, the Commissioner in Sind and the Collectors of

Customs, Bombay and Karáchi, for information, in continuation of Government Resolution No. 4724, dated 20th July 1898. The Collectors should be requested to give wide publicity to the Resolution.

2. The Resolution and its accompaniments should also be published in the *Bombay Government Gazette* for general information.

H. S. LAWRENCE,
Under Secretary to Government.

No. 4101.

POLITICAL DEPARTMENT.

Bombay Castle, -2nd June 1899.

RESOLUTION.—Copies of the above Resolution should be forwarded to all Political Officers for information, in continuation of Government Resolution No. 4446, dated the 2nd August 1898, in this Department.

S. W. EDGERLEY,
Secretary to Government.

To

The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
All Political Officers.

No 228 of 1899

Forwarded to the Divan
of Secanur for information

23rd June
1899

27.6.99

As per
[Signature]

Customs Duty.

- Admission of certain Silk Fabrics in "Improvement Traffic" into Germany.

No. 6969.

REVENUE DEPARTMENT.

Bombay Castle, 4th October 1899.

Order of the Government of India, Finance and Commerce Department, No. 4320-S.R., dated 20th September 1899:—

"Read,

Note* by the Chancellor of the German Empire, dated the 17th June 1899.

Ordered that a copy of the note be forwarded in continuation of the communication from this Department, No. 1769-S.R., dated the 25th April 1899, to the Governments of Madras, Bombay, Bengal and Burma and to the Chambers of Commerce, Madras, Bombay, Bengal, Rangoon and Karachi."

*Admission of Silk Fabrics to "Improvement" Trade.

The Bundesrath in their Session of the 8th of June decided that:—

Silk issues without pattern of close taffeta ("Taffelbinding") as also twilled and damasked (brocaded), made only of the silk of the "Bombyx Mori" without any admixture of floss silk or of silk from the silkworm living on oaks ("Eichenspinner") or of other spun materials, and when woven on both sides with fixed selvages; also silk fabrics of the raw silk of the "Oak" silkworm or of other silkworms not kept in captivity ("Korahs, Tussahs or Tussors") in a bleached or unbleached state ("rohauch abgekocht"); such tissues may be admitted into the country in "Improvement Traffic" ("Veredelungsverkehr") for the purposes of washing, bleaching, dressing, dyeing and printing, on the understanding that such goods as remain for inland trade shall be liable—without regard to their coming from a country not enjoying most-favoured-nation treatment—to the "Treaty" tariff rate No. 30, a. 1 (i.e., 600 marks per 100 kilos or £0-2-8½ per lb.) according to their weight in their "improved" state—whenever the said tissues are not chargeable under the rate of 300 marks per 100 kilos (£0-1-4½ per lb.).

The necessary regulations for carrying out this order are to be issued by the Customs Officials.

RESOLUTION.—Copies of the order of the Government of India and of its accompaniment should be forwarded to the Commissioner of Customs, Salt, Opium and Akkari, the Commissioner in Sind, and the Collectors of Customs, Bombay and Karachi, for information in continuation of Government Resolution No. 3239, dated 10th May 1899. The Collectors should be requested to give wide publicity to the order.

2. The order and its accompaniment should also be published in the *Bombay Government Gazette* for general information.

H. S. LAWRENCE,
Under Secretary to Government.

No. 7626.

- POLITICAL DEPARTMENT.

Bombay Castle, 9th November 1899.

RESOLUTION.—Copies of the above Resolution should be forwarded to all Political Officers for information in continuation of Government Resolution No. 4101, dated the 2nd June 1899, in this Department.

S. W. EDGERLEY,
Secretary to Government.

To

The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C.-D.,
The Commissioner, S. D.,
The Political Resident, Aden,
The Political Agent, Káthiáwár,
The Political Agent, Kolhápúr and Southern Maráthá Country,
The Political Agent, Rewa Kántha,
The Political Agent, Cutch,
The Political Agent, Mahi Kántha,
The Political Superintendent, Pálanpur,
The Political Superintendent, Sávantvádi,
The Agent to His Excellency the Governor at Surat,
The Collector and Political Agent, Khándesh,
The Collector and Political Agent, Sátára,
The Collector and Political Agent, Thána,
The Collector and Political Agent, Kolába,
The Collector and Political Agent, Dhárwár,
The Collector and Political Agent, Kaira,
The Collector and Political Agent, Sholápur,
The Collector and Political Agent, Poona,
The Collector and Political Agent, Násik.

No 6729 4.12.99.

Copy forwarded for information
to the Assistant Political Agent

Savannur.

No 622 of 1899

2-1-99

Forwarded to the Division
of Savannur for information
and record.

3.1.1900

A. W. M. M.
Agent


Below Oversee's No 474 dated 13th December 1899
asking to send Rs 1000 as an Imprest advance

No: 1 of 1899 1900

23rd December 1899
6th January 1900

Forwarded with compliments to the A.P.A

2 The total amount of temporary advances
with the overseen is on the day of this report Rs 1246.9
The amount over above Rs 1000 is small & if the
payment of further advances ~~has~~ ^{has} been held for not
recouping the excess amount, all the important
works now in progress ~~are~~ ^{are} likely to be hampered
for want of funds. There is therefore ~~been~~ ^{been} advanced
a further sum of Rs 1000 ~~thereby~~ ^{on the 23rd ultimo} with instructions
to refund the same at an early date. sanction
for the same is therefore requested


Minister of Revenue

Transmit

Customs Duty-

Reduction in Germany of import duty
on certain kinds of silks.

No. 945.

REVENUE DEPARTMENT.

Bombay Castle, 12th February 1901.

Endorsement of the Government of India, Finance and Commerce Department, No. 581-S.R., dated 31st January 1901—Forwarding, in continuation of the communication from that Department, No. 1769-S.R., dated 25th April 1899, a copy of a letter* No. 2 (Commercial), dated 3rd January 1901, received in the Foreign Office, from Sir Frank C. Lascelles, Berlin, and of its enclosure*.

RESOLUTION.—Copies of the letter from the British Ambassador at Berlin, No. 2 (Commercial), dated 3rd January 1901, and its accompaniment should be forwarded to the Commissioner of Customs, Salt, Opium and A'bkári, the Commissioner in Sind and the Collectors of Customs, Bombay and Karáchi, for information, in continuation of Government Resolution No. 3239, dated 10th May 1899. The Collectors should be requested to give wide publicity to the communication.

2. The letter and its accompaniment should also be published in the *Bombay Government Gazette* for general information.

P. R. CADELL,
Under Secretary to Government.

No. 2040.

POLITICAL DEPARTMENT.

Bombay Castle, 15th March 1901.

RESOLUTION.—Copies of the above Resolution should be forwarded to all Political Officers for information, in continuation of Government Resolution No. 7626, dated the 9th November 1899.

J. L. JENKINS,
Acting Secretary to Government.

To

The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
The Political Resident, Aden,
All Political Agents,
The Political Superintendent, Pálanpur.

* Printed as accompaniments to this Resolution.

Pol 350—1

No 2043

*Shanwar
17 April 1901*

*Copy forwarded for information to the
Assistant Political Agent.*

*Recd
20/4/01
Asst. Secy
P.D.A.*

*R. W. M. T. 11
Ad. Clerk*

*Accompaniments to Government Resolution, Revenue Department, No. 945,
dated 12th February 1901.*

No. 2, Commercial, dated 3rd January 1901.

From—Sir FRANK C. LASCELLES, Berlin ;

To—The MARQUESS OF LANSDOWNE, K.G., &c., &c.

With reference to my despatch No. 69 of this series of March 14th, 1899, I have the honour to forward to your Lordship, herewith, a memorandum which I have received from Mr. Gastrell, Commercial Attaché to this Embassy, relating to the limitations placed upon silks coming under the Law of March 6th, 1899, and liable to a duty of 300 marks per 100 kilos only.

Memorandum on definition of silk tissues falling under £15 per 100 kilograms.

A copy of a notice to German Customs officials, as to the exact kind of silk tissues falling under the Law of March 6th, 1899, at the reduced duty to 300 marks per 100 kilos is forwarded herewith. For the text of that Law, see page 459 of Board of Trade Journal, January to June 1899. The chief points seem to be that the tissue must be without pattern and of close taffeta ("Taffetbinding") and have fixed selvages on both sides; that the reduced rate is only applicable to materials in a bleached or unbleached state, but not to tissues which have received further treatment by dressing, etc., but calendering does not count as such; that the tissue must be of pure silk, no admixture of gloss silk or of other spun materials is allowed; and that the raw silk out of which the tissue is made must be only of the silk of the "Bombyx Mori"; any tissues containing any silk from the silkworm living on oak trees are excluded from the benefits of the reduction.

No 319 of 1901

It is forwarded to the
Bureau for information
and record.

Camp Dastikop
17-1-1901

Alfred
as Agent

File
20/4/01
Vof -